

Philip Morris USA

Summary

WEEKLY UPDATE

SUMMARY

November 21, 1994

Shipments

- PM-USA weekly shipments (4.2 billion) - were slightly above last week and above projection.
 - Direct account inventory depletion.
 - Offsetting promotional shipments
- *Latest* ~~Week~~ ^(w), 13 week and QTD shares above 3RF target (43.3%) for 4th quarter
- RJR volume returned to near normal levels.

Retail and Consumer Trends

- PM-USA and Marlboro share performance [↑] shipments, ^{and smoke shares while} consumer stabilizing, retail ^{shares have weakened.} declining.
 - ~~Recent declines followed strong summer promotional schedule.~~
- Discount category experiencing recent gains
 - Doral, Private Labels gaining ^{YTD at 10% increase in shipments & increases}
 - Montclair share growth consistent across shipments and retail.
 - Corresponds with expanded <99¢ and recent money-off deal incidence.
- Basic's C-store SOC below benchmark, shipment SOC remains favorable.
 - Basic's price disadvantage vs. Lowest Discount at YTD high (81% of outlets).
 - ^{Balance of accounts passes inspection which have kept price disadvantage from spiraling further}
- Pack % gap returned to YTD high (47%, + 4% above 1/8/94).
 - Lowest Discount price remains unfavorable to benchmark (-\$0.03).
 - ≤ 99¢ incidence (16%) increased but remained below YTD high

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